FINAL REPORT

19980002

SASKATCHEWAN LLAMA ASSOCIATION - WOOL POOL COOPERATIVE

March 2001
Funded by the Agri-Food Innovation Fund

Prepared by: Saskatchewan Llama Association

AGRI-FOOD INNOVATION FUND

Canada

Saskatchewan

102-06533/

FINAL REPORT
TO
THE CANADA-SASKATCHEWAN
AGRI-FOOD INNOVATION FUND

To December 31, 2000

File 98000002
Submitted by Rhonda Lamb

SUMMARY

The Saskatchewan Llama Association's Wool Pool has been developed to assist Saskatchewan's camelid (llama and alpaca) producers with the processing, marketing and promotion of high quality fibre from their animals.

The final year of this project has seen accelerated participation and growth from producers in the province and indicates that the Wool Pool is becoming recognized in this community and that we are meeting a need in developing a secondary industry for Saskatchewan's camelid producers.

This report provides an overview of accomplishments to date and directions being discussed for the future.

Highlights of the program includes:

- Increasing the number of shipments to mills to three annual deadlines. In 2000 this resulted in approximately 850 lbs of fibre being shipped to mills in Saskatchewan, Alberta and British Columbia for various processing. The Wool Pool has now established an inventory of processed fibre (yarns, rovings and felts) and value added articles that will allow us to explore ongoing marketing opportunities year round.

- Increase in the membership to 25 participating farms which was evenly split between llama and alpaca producers from across the province. This number is over double the membership of the previous year and indications are that additional producers are interested in participating in 2001.

- Development of several new finished articles that producers could have produced to sell as a value added product. This included hats, boot liners, weaving yarns and more finished yarn goods.

- Continuation of the workshop series that has been held this year. In 2000 the following workshops were held: a mill tour at Limerick, Saskatchewan, a two-day hands-on fibre program (spinning, felting and dyeing) and the initial brainstorming clinic titled "Slippers & Beyond" (see below) that is focussed on developing a business and marketing plan for the Wool Pool's future.

- With the assistance of the Agri-Value Program, we enhanced our display of goods at the 2000 Canadian Western Agribition with a sales increase of approximately 60% from the previous year.

- Completion of surveys of the membership to evaluate the program and our services, as well as completion of a province wide survey of llama and alpaca producers who do not belong to the Wool Pool. This information assists with long range planning and immediate needs assessment.

- Payments to producers exceeded $2,700 in 2000 which is over double the payouts in 1999.

TECHNICAL REPORT

BACKGROUND AND OBJECTIVES

The Saskatchewan Llama Association's Wool Pool has been developed in response to a need that was identified nationally in the camelid industry. This program was undertaken in 1998 to help producers understand meeting the needs of the cottage industry market, having their fibres processed to meet this need and to have resources available for development of this value added industry for Saskatchewan's producers. In the interim, a national cooperative (titled CANCAM) has begun in 2000; however, it focuses on mass fibre processing and does not include producer education, direct involvement nor a marketing component. We intend to work towards building a formal partnership with this organization in the near future to avoid duplication and investigate opportunities for shared resources.

The objectives of the SLA Wool Pool continues to be:

1) to develop a cooperative commercial production process that assists the Saskatchewan camelid industry to promote its fibre throughout Canada and into American markets

2) to strengthen the Saskatchewan camelid industry between llama and alpaca producers through the development and cooperative efforts of a Wool Pool

3) to assist camelid producers in the processing, marketing and sales of their fibre products

4) to develop a long-term strategy that will allow the Wool Pool to operate on a self-sustaining basis

5) to utilize the demand for quality fibre products in the promotion of the camelid industry

6) to assist Western Canadian fibre processors that wish to make their enterprises mature and develop into financially feasible businesses.

PROJECT ACTIVITIES AND ACHIEVEMENTS

The year 2000 was an extremely busy one for the Wool Pool due to significant growth in membership and the amount of raw material supplied for processing and inclusion in the inventory.

The year saw the membership grow to 25 participating farms which was evenly split between llama and alpaca producers. This is significant, as it creates an environment for dialogue between the two communities and provides an arena for recognition and education of each sectors similarities and differences. We had additional inquiries regarding membership late in 2000 and recommended that these additional producers consider joining in 2001 (due to missing final shipment dates and membership fees again being due within a couple of months).

The number of producers participating translated into a much higher level of raw material to work with and in turn, resulted in expanding on the product lines that have been developed to date. This also in turn, has resulted in the Wool Pool finally establishing a large enough inventory base that it can begin to work on exploring marketing opportunities on a year-round basis. Opportunities have arising for this late in 2000, including booth rental at the provincial spinner's and weaver's conference in March 2001 and initial discussions regarding participating in an e-commerce outlet focussed on the baby-boomer leisure market. We are also considering other opportunities for trade shows and potentially a mail-order catalogue (pending the planning process discussed below).

Larger quantities of fibre also provides for the opportunity to explore other processing options by pooling fibre if the participating farms desire. This may include woven fabrics and machine produced camelid socks in the upcoming year. The upcoming year will also involve further exploration of uses for the second and third grade fibres, such as quilt batting and utility felts, which would require finishing in order to make it economically feasible for the producers and investigation into additional markets to target for these type of products.

Payments to producers over doubled from 1999, with many members still having items remaining in inventory. This is indicative of the cycle which producers must enter in which they have saleable products available while still having raw fibre processed simultaneously.

The Wool Pool also held its second annual Canadian National Llama Fibre Sweepstakes. The winners were announced at the 2000 Canadian Western Agribition and a showcase of winning entries was on display in the Lifestyles area of Agribition over the course of the week. This program again saw participants receiving written evaluation and feedback about their fibre from a judges in the breeding, textile and processing industries. The main goals of this program is to provide a marketing/promotion opportunity for the camelid fibre industry and to provide producers with a resource for further improvement in their raw fibre product through the evaluation process. The program will be run again in 2001.

Workshops were offered again in 2000. This year, three workshops were presented at various times of the year. The first, a two-day program that gave participants a hands-on opportunity was presented at the Neil Balkwill Civic Arts Centre in Regina. Resident artist, Deborah Behm worked with participants in spinning, felting and dyeing their camelid fibre over the two day period. In addition to learning the process, individuals also have a better understanding of what their consumers are looking for as desirable characteristics and what improvements they can strive for as producers to raise the quality of their product.

The second workshop was held at Wool n Ewe Fibres in Limerick, Saskatchewan. Wool n Ewe is Saskatchewan's only fibre processing mill, with which the SLA Wool Pool has a strong partnership established. Participants at this clinic were introduced to some ideas as to making finished articles and shown how each component of the mill operates. This illustrated to the producers some considerations to make in the preparation of raw fleeces for processing at this mill in order to minimize loss and maximize quality, in addition to providing them with additional ideas of processing options.

The third workshop was the first in a series that is continuing into 2001. "Slippers and Beyond" is a series of brainstorming sessions facilitated by Ann Cooney of the Specialized Livestock Marketing Area of the University of Saskatchewan. Ann has agreed to work with the SLA Wool Pool in identifying its needs, its markets and developing a long-term business plan and marketing strategy to ensure its long term survival. The second installment of the series is taking place on January 20, 2001 at the Neil Balkwill Civic Arts Centre. Invitations to the workshop have been sent to all members of the Wool Pool in addition to other llama and alpaca producers from across Saskatchewan who have indicated an interest in the fibre industry through the survey that was mailed to their homes late in 2000.

The above mentioned survey was another undertaking which was assisted through support from the Agri-Value program. Two surveys were developed by the Wool Pool Committee; the first, to llama and alpaca producers from throughout Saskatchewan who have not participated in the Wool Pool. The survey was sent to help determine several areas including: producer awareness of the SLA Wool Pool, producer interest in the fibre industry, number of animals in Saskatchewan whose fibre is not being sent through the Wool Pool, barriers preventing participation. This information is helpful in reaching new participants, providing additional information to those who have only heard of the Wool Pool "through the grapevine", assessing potential for continued growth and projecting realistic expectations for further development.

The second survey was sent directly to the 2000 membership of the Wool Pool to evaluate services that have been offered, request input regarding plans for upcoming workshops, priorize areas for development and assess member willingness to becoming involved in aspects of the Wool Pool's programming and strategic development.

Discussions regarding the results of these surveys and impact on the Wool Pool will take place at the "Slippers & Beyond" clinic held in Regina in January 2001.

RESULTS AND CONCLUSIONS

The SLA Wool Pool has seen significant growth over the past year and is encouraged at the potential for the development of Saskatchewan' camelid fibre industry into the future.

Partnerships with cottage industries, non-profit organizations with interests in various aspects of our industry and individuals with an array of expertise is assisting in the development of a positive future for the Wool Pool.

Indicators of growth include the number of farms that initiated their membership in 2000 and those that have expressed joining in 2001. In addition the increase in poundage of raw fibre processed, payments to producers in 2000 and increased level of interest from the media, and specialized target market groups (such as artist/craft guilds, requests for presentations to groups, invitations to display opportunities and so on) all indicate that the SLA Wool Pool has been growing in the right direction to best serve its members over a long term.

The upcoming year has the potential to be very exciting. With the increase in inventory, services and products comes the need for a location that would serve as a 'home base' for the Wool Pool,

where inventory can be stored, workshops can be held, a storefront/mail-order outlet can be developed and maintained. The "Slippers & Beyond" clinics will also assist our group in identifying future needs (for the individual members and the Pool as a whole) to become self-sufficient and to reach its objectives while providing income to members through the development of this secondary industry of the camelid sector in Saskatchewan.

With the conclusion of the funding provided through the Ag-Innovation Fund, we have two closing comments. First, the SLA Wool Pool could not have progressed to the level that it has in this time, nor had the impact that it has already obtained on a provincial and national level without the three year funding that was provided. The stability of this funding and assistance it provided allowed us to build the foundation for a vibrant secondary industry for Saskatchewan's camelid sector.

The next issue facing the Wool Pool will be the period of time between when we are able to function on a self-sufficient basis, while maintaining the services provided to date and expanding on the marketing to reach self-sufficiency as an organization. The brainstorming sessions described earlier and the surveys distributed will assist with our planning; however, we recognize that the Wool Pool will require additional project support for a longer period until we reach this goal. Indicators are that the Wool Pool is meeting a need and that we have had an impact on the development of the fibre industry for our sector. Our next challenge will be to ensure that the programs and services that have been developed to date can be maintained as well as meet continued growth in membership and fibre handled while we strive for self-reliance.

FOOTNOTE*
Following the "Slippers & Beyond" planning session held in January, 2001 - the membership of the SLA Wool Pool has determined that it will organize its own non-profit organization that will focus on goals and objectives of developing a fibre industry for Saskatchewan's llama and alpaca producers. The name of the new organization is **"L.A. Fibres"** and is in the process of being incorporated. A steering committee/interim Board has been struck and is currently developing a business plan and investigating a marketing strategy.

PERSONNEL

Hours performed for Coordinator's honorarium for 2000:

January 2000	21.5
February 2000	21.0
March 2000	41.0
April 2000	51.0
May 2000	38.5
June 2000	60.0
July 2000	48.5
August 2000	47.0
September 2000	60.0
October 2000	100.0
November 2000	116.0

December 2000 · 62.0

An honorarium is paid monthly to the Wool Pool Coordinator for organization and management of the Wool Pool membership inventory, workshop development, producer payments, newsletters, marketing, needs assessment, partnership/membership liaison and communications. The Coordinator is Rhonda Lamb. The hours for each month were logged and filed with the Secretary/Treasurer of the Saskatchewan Llama Association.

The following individuals have sat as members of the Wool Pool Committee. This Committee is a sub-committee of the Saskatchewan Llama Association and reports to the producer group's Board of Directors.

Rhonda Lamb - Coordinator
Lorraine Johnson - Secretary/Treasurer SLA Board, Wool Pool Member, Llama Producer
Lynn Hilderman - President, Sask. Alpaca Network, Wool Pool Member, Alpaca Producer